

**America's Health  
Insurance Plans**

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December 22, 2004

The Honorable Joshua Bolten  
Director  
Office of Management and Budget  
725 17th Street, N.W.  
Washington, DC 20503

Dear Mr. Bolten:

On behalf of America's Health Insurance Plans (AHIP), I am writing to emphasize our continuing interest in working with the Administration to ensure that Medicaid remains a strong health care safety net and is adequately funded to meet the health care needs of low-income and disabled Americans.

As the Medicaid debate moves to the forefront of the health care agenda in 2005, our members are eager to play a constructive role in strengthening Medicaid coverage for beneficiaries and, at the same time, ensuring that the federal government and state Medicaid programs receive the highest possible value for the dollars they spend on health care.

Our members have a strong track record of improving health care for Medicaid beneficiaries. We do this by coordinating care, placing a strong emphasis on preventive health care services, providing disease management services for chronically ill patients, and offering innovative programs to promote the health and well being of Medicaid enrollees. Because of these coordinated care techniques and programs, our members bring significant value to the Medicaid program by providing coverage that is much more cost-effective and of significantly higher quality than fee-for-service Medicaid coverage. We feel that managed care plans working with the states have fulfilled the promise of the Balanced Budget Act of 1997 which established a new structure for Medicaid managed care.

Looking forward, we believe that future efforts should focus on strengthening the public-private partnership that already has improved Medicaid for millions of beneficiaries. Recognizing the challenges associated with the growing Medicaid population and the long-term care needs of our nation's elderly, our members are uniquely positioned to participate in this debate and assist in taking steps toward a stronger Medicaid program.

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We also recognize that Medicaid funding levels will have a significant impact on Medicaid's continued role as a strong health care safety net. Accordingly, to ensure that beneficiaries have access to coordinated care plans through Medicaid, we respectfully request that you not include any budget cuts for Medicaid in the Administration's budget proposal for fiscal year 2006.

Thank you for considering our views. We look forward to working with the Administration to build a stronger Medicaid program.

Sincerely,

A handwritten signature in cursive script, reading "Karen Ignagni".

Karen Ignagni  
President and CEO